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Medical policies in conjunction with other nationally recognized standards of care are used to make medical coverage decisions.

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**Title**

**Benign Skin Lesion Removal Policy**

**Indication/Usage:**

A skin lesion is a nonspecific term that refers to any change in the skin surface; it may be benign, malignant or premalignant. Skin lesions may have color (pigment), be raised, flat, large, small, fluid filled or exhibit other characteristics. Common examples of benign skin lesions may include moles (nevi), sebaceous cysts, seborrheic keratoses, skin tags (acrochordon), callouses, corns or warts. The treatment of benign skin lesions consists of destruction or removal by any of a wide variety of techniques. The removal of a skin lesion can range from a simple biopsy, scraping or shaving of the lesion, to a radical excision that may heal on its own, be closed with sutures (stitches) or require reconstructive techniques involving skin grafts or flaps. Laser, cautery or liquid nitrogen may also be used to remove benign skin lesions. When it is uncertain as to whether or not a lesion is cancerous, excision and laboratory (microscopic) examination is usually medically necessary and not cosmetic.

This policy describes the medical necessity guidelines for removal of benign skin lesions. This refers to non-cancerous growths that have become problematic depending on potential changes in their characteristics, the size, location, pressure on nearby blood vessels, nerves or organs.

### Medical Indications for Authorization

SummaCare considers removal of benign skin lesions medically necessary if any of the following criteria is met:

1. The lesion is symptomatic as documented by any of the following:
  - Intense itching
  - Burning
  - Irritation
  - Pain
  - Tenderness
  - Chronic, recurrent or persistent bleeding
  - Physical evidence of inflammation or infection (e.g., purulence, oozing, edema, erythema, etc.)
  - Change in physical appearance or enlargement
  - Lesion obstructs an orifice
  - Lesion clinically restricts eye function
2. There is clinical uncertainty as to the likely diagnosis, particularly where malignancy is a realistic consideration based on lesion appearance, change in appearance and/or nonresponse to conventional treatment
3. The lesion is likely to turn malignant as documented by medical peer-reviewed literature;
4. A biopsy suggests the possibility of lesion malignancy or pre-malignancy
5. The lesion is in an anatomical region subjected to recurrent physical trauma that has in fact occurred
6. Wart removals will be covered under the guidelines above. In addition, wart destruction will be covered when any of the following clinical circumstances are present:
  - a. Periocular warts associated with chronic recurrent conjunctivitis thought secondary to lesion virus shedding;
  - b. Warts showing evidence of spread from one body area to another, particularly in immunosuppressed patients or warts of recent origin in an immunocompromised patients;
  - c. Lesions are condyloma acuminata or molluscum contagiosum;
  - d. Cervical dysplasia or pregnancy is associated with genital warts.

### Limitations

In the absence of any of the above indications SummaCare considers cosmetic.

### Coverage Decisions

## CMS

## Coverage Guidance

### Coverage Indications, Limitations, and/or Medical Necessity

#### Abstract:

Benign skin lesions are common in the elderly and are frequently removed at the patient's request to improve appearance. Removals of certain benign skin lesions that do not pose a threat to health or function are considered cosmetic, and as such, are not covered by the Medicare program. These cosmetic reasons include, but are not limited to, emotional distress, "makeup trapping," and non-problematic lesions in any anatomic location. Lesions in sensitive anatomical locations that are not creating problems do not qualify for removal coverage on the basis of location alone.

Benign skin lesions to which the accompanying lesion removal policy applies are the following: seborrheic keratoses, sebaceous (epidermoid) cysts, skin tags, moles (nevi), acquired hyperkeratosis (keratoderma), molluscum contagiosum, milia and viral warts.

Medicare covers the destruction of actinic keratoses without restrictions based on lesion or patient characteristics.

#### Indications:

There may be instances in which the removal of benign seborrheic keratoses, sebaceous cysts, skin tags, moles (nevi), acquired hyperkeratosis (keratoderma), molluscum contagiosum, milia and viral warts is medically appropriate. Medicare will, therefore, consider their removal as medically necessary, and not cosmetic, if one or more of the following conditions are presented and clearly documented in the medical record:

- Bleeding;
- Intense itching;
- Pain;
- Change in physical appearance (reddening or pigmentary change);
- Recent enlargement;
- Increase in the number of lesions;
- Physical evidence of inflammation or infection, e.g., purulence, oozing, edema, erythema, etc.;
- Lesion obstructs an orifice;
- Lesion clinically restricts eye function. For example:
  - a. Lesion restricts eyelid function;
  - b. lesion causes misdirection of eyelashes or eyelid;
  - c. lesion restricts lacrimal puncta and interferes with tear flow;
  - d. lesion touches globe;
- Clinical uncertainty as to the likely diagnosis, particularly where malignancy is a realistic consideration based on lesion appearance;
- A prior biopsy suggests or is indicative of lesion malignancy;
- The lesion is in an anatomical region subject to recurrent physical trauma, and there is documentation that such trauma has, in fact, occurred;
- Recent enlargement, history of rupture or previous inflammation, or location subjects patient to risk of rupture of epidermal inclusion (sebaceous) cyst.

- Wart removals will be covered under the guidelines above. In addition, wart destruction will be covered when any of the following clinical circumstances are present:
  - a. Periocular warts associated with chronic recurrent conjunctivitis thought secondary to lesion virus shedding;
  - b. Warts showing evidence of spread from one body area to another, particularly in immunosuppressed patients or warts of recent origin in an immunocompromised patients;
  - c. Lesions are condyloma acuminata or molluscum contagiosum;
  - d. Cervical dysplasia or pregnancy is associated with genital warts.

**Limitations:**

Medicare will not pay for a separate E & M service on the same day as a minor surgical procedure unless a documented significant and separately identifiable medical service is rendered. The service must be fully and clearly documented in the patient’s medical record and a modifier 25 should be used.

Medicare will not pay for a separate E & M service by the operating physician during the global period unless the service is for a medical problem unrelated to the surgical procedure. The service must be fully and clearly documented in the patient’s medical record.

If the beneficiary wishes one or more of these benign asymptomatic lesions removed for cosmetic purposes, the beneficiary becomes liable for the service rendered. The physician has the responsibility to notify the patient in advance that Medicare will not cover cosmetic dermatological surgery and that the beneficiary will be liable for the cost of the service. It is strongly advised that the beneficiary, by his or her signature, accept responsibility for payment. Charges should be clearly stated as well.

**Plans Covered By This Policy**

Commercial and Medicare

Self-funded Commercial groups refer to plan document for coverage

**Sources Reviewed**

<https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?lcdid=34200&ver=27&>

<https://www.bcbsnd.com/providers/policies-precertification/medical-policy/t/treatment-of-benign-or-premalignant-skin-conditions>

[https://www.bluecrossma.com/common/en\\_US/medical\\_policies/707%20Benign%20Skin%20Lesions%20prn.pdf](https://www.bluecrossma.com/common/en_US/medical_policies/707%20Benign%20Skin%20Lesions%20prn.pdf)

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<https://www.healthnet.com/content/dam/centene/healthnet/pdfs/general/ca/policies/BenignSkinLesionRemoval.pdf>

[http://www.aetna.com/cpb/medical/data/600\\_699/0633.html](http://www.aetna.com/cpb/medical/data/600_699/0633.html)